

**Annual List of Rule-Making Activity**  
**Rules Adopted January 1, 2014 to December 31, 2014**  
*Prepared by the Secretary of State, pursuant to 5 MRSA, §8053, sub-§5*

**Agency name:** Finance Authority of Maine  
**Umbrella-Unit:** **94-457**  
**Statutory authority:** 10 MRSA §969-A(14)  
**Chapter number/title:** **Ch. 323**, Dental Equipment Revolving Loan Program *(repeal)*  
**Filing number:** **2014-016**  
**Effective date:** 2/9/2014  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

The rule is being repealed since the Finance Authority of Maine and the Department of Health and Human Services (DHHS) have terminated the agreement to administer the program and the program funds have been returned to DHHS.

**Basis statement:**

The rule is being repealed since the Finance Authority of Maine and the State Department of Health and Human Services (DHHS) have terminated the agreement to administer the program and the funds have been returned to DHHS. No comments were received during the public comment period.

**Fiscal impact of rule:**

The amendment will not impose any costs on municipalities or counties.

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**Agency name:** Finance Authority of Maine  
**Umbrella-Unit:** **94-457**  
**Statutory authority:** 10 MRSA c.110 sub-ch.1 §969-A(14); sub-ch.9 §1100-T  
**Chapter number/title:** **Ch. 307**, Maine Seed Capital Tax Credit Program, **Amendment 8**  
**Filing number:** **2014-087**  
**Effective date:** 5/7/2014  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

The amendment implements the changes made by P.L. 2013 ch. 438: lowers the credit to 50%; eliminates businesses that bring capital into the state as eligible, and creates a new eligibility category for value added natural resource enterprises; increases sales limits of participating companies; gives credit authority on an annualized, rather than cumulative basis, along with other minor changes. The amendment also creates a limited priority for credits to certain funds that earned a partial credit under prior law, for the balance of their credit due if they otherwise comply with applicable law.

**Basis statement:**

The amendment implements the changes made by P.L. 2013 ch. 438: lowers the credit to 50%; eliminates businesses that bring capital into the state as eligible, and creates a new eligibility category for value added natural resource enterprises; increases sales limits of participating companies; gives credit authority on an annualized, rather than cumulative basis, along with other minor changes. The amendment also creates a limited priority for credits to certain funds that earned a partial credit under prior law, for the balance of their credit due if they otherwise comply with applicable law.

No public hearing was held. Only one person submitted comments, Tim Agnew.

Mr. Agnew made several comments:

1. That there was an errant reference to subparagraphs 3 and 4 in Section 3-A(F);
2. That it was not clear that the \$500,000 and \$4,000,000 limit on fund investments in Section 4(B) were over a 3 consecutive year basis;
3. Requesting a requirement that Grandfathered Funds provide advance notice of their intent to claim credits in section 4(D);
4. Requesting clarification as to what happens to credits that might be recaptured from Grandfathered Funds;
5. Requesting a reservation process for 2015 credits for investments made in 2014 if no credits remain when investment is made;
6. Suggesting that the permissive reservation for investments in Natural Resource Enterprises in Section 5 be eliminated;
7. Requesting an annual reservation process for the following years' credits when investments in a given year are used up.

The members agreed with comments 1 and 2, and made changes to the language of section 3-A(F) to correct and clarify the proposed language of the rule amendment.

The members declined to make changes in response to comment 3, on the basis that it was unnecessary and would not create sufficient certainty to be useful to investors.

The members declined to make changes in response to comment 4, on the basis that any recapture of credits issued prior to 2014 would not be available for re-issuance under current law.

The members agreed with comment 5, and added a paragraph to the end of Section 4(D) to create a one-time reservation of up to \$1,000,000 of 2015 credits for investments that are

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made in 2014 in the form of a loan that is eligible to convert to equity, and in fact does convert to equity, in early 2015. This is consistent with current Authority practice allowing credits to be awarded for loans that are converted to equity, at the time of conversion.

The members agreed with comment 6, and deleted Section 5 accordingly, based on the fact that the Natural Resource reservation described in Section 5 was not used and all credits were redeployed prior to 2014.

The members declined to make any changes in response to comment 7, based upon the administrative burden such a system would require.

None of the changes made by the members in response to the comments were deemed by the members to make the amendment substantially different from the version originally proposed, and therefore additional comments were not sought.

**Fiscal impact of rule:**

The amendment will not impose any costs on municipalities or counties.